GOVERNMENT OF ANDHRA PRADESH
ABSTRACT.

Agrl. & Coop. Deptt. - Horticulture Department – A.P – Coconut Palm Insurance Scheme for the year 2017-18 – State Level Administrative Approval –Orders – Issued.

AGRICULTURE AND COOPERATION (HORTI. & SERI.) DEPARTMENT

G.O.RT.No. 263 Dated: 11-05-2017
Read :-

From the Commissioner of Horticulture, A.P., Guntur Lr. No. ITDM & Publicity/18/2014, Dt. 23-08-2016.

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O R D E R :

In the circumstances reported by the Commissioner of Horticulture, A.P.,Guntur in the reference read above, Government after careful examination hereby accord State Level administrative approval for implementation of Coconut Palm Insurance Scheme in the State for the year 2017-18 with a total outlay of Rs. 20.00 lakhs with Coconut Development Board Share of Rs.10.00 lakhs (50%), State Government share 25% i.e.,Rs.5.00 lakhs and the farmers @ 25% i.e., Rs.5.00 lakhs on the terms and conditions laid down by the Coconut Development Board

2.. The guidelines of Coconut Palm Insurance Scheme (CPIS) for the year 2017-18
are annexed to this order.

3. The Commissioner of Horticulture, A.P., Guntur is requested to take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY,
EX-OFFICIO SECRETARY TO GOVERNMENT (H&S)

To
The Commissioner of Horticulture, A.P., GUNTUR..
The Coconut Development Board, Kochi, Kerala State.
Copy to :
The A.G., A.P., Hyderabad.
The DTA, A.P., Hyderabad.
The P.S. to M (Agrl.)
SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER

ANNEXURE TO G.O.RT.NO.263, DATED : 11-05-2017.

Guidelines of Coconut Palm Insurance Scheme (CPIS) for the year 2017-18

1. INTRODUCTION

1.1 Andhra Pradesh ranks fourth in India both in area and production of coconut crop with 121.9 Lakhs hectares and 1258.4 Lakhs MT respectively (NHB, Database-2014). The important coconut growing districts in the state are East Godavari, West Godavari, Srikakulam, Visakhapatnam, Vizianagaram and Chittoor.

1.2 Coconut cultivation is subjected to risks from climate changes, natural disasters, pests, diseases etc. and, at times, entire coconut cultivation of a region, gets wiped out due to natural calamity or onset of pest attack. Coconut is a perennial crop and losses suffered by farmers due to damage to this crop need to be addressed. Moreover, coconut is cultivated under rain-fed management and is susceptible to biotic and a-biotic stresses, it is necessary to minimize risk faced by coconut farmers, predominantly small and marginal, by covering coconut palms with an insurance scheme.

1.3 Coconut palm trees are characterized by periodic system of crop setting and outcomes and hence resemble seasonal annual crops and should, accordingly, be eligible for insurance cover.

2. Objectives:

2.1 Assist coconut growers in insuring coconut palms, against natural and other perils (Perils means**-Serious or great damage**).

2.2 Provide timely relief to farmers, who suffer income loss due to sudden death of palms.

2.3 Minimize risk and encourage replanting and rejuvenation to make coconut farming remunerative.

3. APPLICABILITY / ELIGIBILITY CRITERIA

i) Individual farmer/ planter / grower **offering at least 5 healthy 'nut' bearing palms** in contiguous area / plot will be eligible for insurance. The planter / grower shall, insure all eligible palms within a contiguous area. Partial insurance of plantation in contiguous area is not allowed.

ii) Healthy 'nut' bearing coconut palms of all varieties i.e. Tall, Dwarf and Hybrids grown as mono or intercropped, on bunds, farms or homestead can be covered.

iii) Dwarf and Hybrid coconut palms in age range of 4 to 60 year and Tall variety Coconut palms in age range of 7 to 60 year are eligible for coverage. **Unhealthy and senile palms will be excluded from coverage.**

iv) **Self-declaration of age group by insured** planter / grower in insurance proposal is acceptable. However, Implementing Agency (IA) may get the insured palms verified for authenticity, at any time and Insurance becomes void in the event of wrong declaration of age or any material fact by insured, concerning the insurance.

4. RISK COVERED:

4.1 The scheme covers following perils leading to death/loss of palm or palm becoming un-productive:

i) Storms, hailstorm, cyclone typhoon, tornado, heavy rains
ii) Flood and inundation.
iii) Pest and diseases of widespread nature causing, irreparable damages to palm.
iv) Accidental fire, including forest fire and bush fire, lightening.
v) Earth quake, land slide and tsunami
vi) Severe drought and consequential total loss.

4.2 This insurance policy pays for total loss of palm on account of happening of perils insured leading to death of insured palm or it's becoming unproductive.

a. In case, death of palms is not immediate, payment of sum insured will be payable on production of certificate from Coconut Development Board (CDB)/ Agriculture/ Horticulture Department justifying cause for declaring palm unproductive.
b. A palm can be declared ''unproductive' only when further growth / rejuvenation of palm is not possible after the same damaged by peril(s) insured, provided palm is removed/ felled by insured.
c. In case farmer/ grower wishes to retain unproductive palm as it is (without felling), salvage value of 50% of sum insured will be deducted from claim. In any case, loss of palm will have to be established to, occurrence of peril insured.

5. EXCLUSIONS

The insurance does not cover following events, in so far as they are applicable, keeping in view scope of insurance cover:

a) Loss by theft, War, Invasion, Civil war, Rebellion, Revolution, Insurrection, Munity, Lock out, Malicious damage, Conspiracy, Military/ Usurped power, Civil commotion , Confiscation, Requisition / destruction/ damage by order of any Government de-jure / de-facto / by any public/ municipal/ local authority including damage due to power transmission.
b) Nuclear reaction, nuclear radiation or radioactive contamination.

c) Impact damage due to aircraft or other falling objects.
d) Willful negligence of insured and any one acting on his behalf.
e) Damage caused by human, bird or any animal action.
f) Improper maintenance of palms.
g) Palm becoming unhealthy and senile.
h) Natural mortality of the palm, up-rooting of palm traceable to chiseling of roots.
i) Loss of capital investment like land cost loss or damage to structures supporting insured palm, irrigation system, agricultural equipments or implements.

6. SUM INSURED & PREMIUM AND PREMIUM SUBSIDY

6.1 The sum is insured and premium under coconut palm insurance under different age groups will be follows:

Coconut palm age in years	Sum Insured per palm (Rs.)	Premium per plant/ year (Rs.)
4^{th}---15^{th}	900	9.00
16^{th} --- 60^{th}	1750	14.00

7. PREMIUM SUBSIDY :

7.1 On premium, 50% subsidy will be paid by Coconut Development Board (CDB) and 25% by State Government concerned and balance 25% of the premium will be paid by farmer / grower. In case, the State government does not agree to bear 25% share of premium, farmers / growers will be required to pay 50% of premium, if interested in insurance scheme.

Pattern of Assistance:

- 50% of Premium subsidy by Coconut Development Board (CDB)
- 25% of Premium subsidy by State Government
- 25% of Premium subsidy by the Farmer

7.2 In case some planters/growers' association wishes to bear the premium on behalf of planters/growers, such association may do so if they have "insurable interest". However, in any case, the planters/growers shall have to bear a minimum of 10% premium.

7.3 Premium subsidy amount (50% by CDB and 25% by participating States) will be released to IA in advance based on estimates, which will be replenished / adjusted on quarter/year basis.

Coconut palm age in years	**Premium per plant/ year(Rs.)**	**CDB share @ 50% per palm**	**State Government Share @ 25% per palm**	**Farmers share @ 25 per palm**
4^{th} -- 15^{th}	9.00	4.50	2.25	2.25
16^{th} -- 60^{th}	14.00	7.00	3.50	3.50

8. <u>Insurance Period/Term</u>.

8.1 Polices may be issued on annual basis. However, growers/farmers may obtain a policy for a maximum period of **three years for which rebate in premium @ 7.5% for two year policy and 12.5% for three year policy will be provided to the planters/growers.**

The premium break up for three years is as under.

Coconut Palm age in years	**Premium per plant/first year (Rs.)**	**Farmers share @ 25% per palm**	**Premium per plant /two years (Rs.)**	**Farmers share @ 25% per palm**	**Premium per plant/three years (Rs.)**	**Farmers share @25% per palm**
4^{th} -15^{th}	9.00	2.25	16.65	4.16	23.63	5.90
16^{th}–60^{th}	14.00	3.50	25.90	6.48	36.75	9.19

8.2 Planters/growers can join the scheme any time during the year. However efforts should be made to insure all eligible farmers/growers by 31^{st} March. In case, farmers/growers join the scheme after 31^{st} March, then the risk is covered from 1^{st} day of succeeding month.

8.3 **However, loss/death of palms, within 30 days from inception of Insurance, claim is not payable under the scheme**, but this condition is not applicable in case of renewal of insurance before expiry of the policy (i.e., without time gap).

8.4 Franchise

No claims shall be payable under the scheme, if palm is lost due to operation of peril Insured i.e., within 'Franchise' clause. Insurer will not be liable for any payment, under this policy, for any expenses incurred by insured in connection with or in respect of loss other than on account of perils insured.

The claim is assessed only if number of palms damaged, due to Perils insured are in a contiguous area is more than the palms lost as shown for different slabs:

Sl.No	**No. of Insured Palms in a contiguous area**	**Franchise (Palms Lost)**
1	10-30	1
2	31-100	2
3	>100	3

9. PROCEDURE FOR ISSUE OF INSURANCE POLICY :

9.1 Insurance may be obtained through Coconut Development Board (CDB), directly from representations/ authorized agents of AIC or nearest office of Horticulture Development or Coconut Producers/Growers Societies registered under Societies Act or registered with CDB.

9.2 Farmers/Grower who needs to insure his palms should submit the following documents to the CDB/Hort. Dept., as the case may be:

i) Proposal forms along with premium amount (by way of DD).
ii) Proof of land record / Plantation or a certificate issued by revenue authorities to / CDB / Hort. Dept.,
iii) Declaration by farmer that only healthy palms are insured in the proposal forms.
iv) A rough sketch of the plantation with land identification number of each plot and number of palms therein.

9.3 Premium will be paid by planter/grower, net off premium subsidy (**i.e. farmer share**), through bank draft, drawn in favour of "AIC of India Ltd A/c no.**008010200023922**" **payable at Hyderabad.**

9.4 Certificate of Insurance / cover note will be issued by AIC to all individual insured farmers/growers, within 30 days from the receipt of proposal, with requisition premium.

9.5 AIC shall also furnished a consolidated list of insure farmers/growers district wise to Coconut Development Board (CDB) and Department of Agriculture, GOI, on quarterly basis.

10. DISTRICTS & AREA COVERED :

10.1 This insurance scheme will be implemented in all the mandals of selected districts of Andhra Pradesh growing coconut palms:

11. CLAIM ASSESSMENT & SETTLEMENT PROCEDURE

11.1 Loss of insured palms will be intimated by insured farmers to **insurance Company within 15 (fifteen) days from occurrence of peril**, with all relevant details.

11.2 **Farmers will not move or shift damaged / lost palms** till inspection of crop by loss assessors is complete.

11.3 The claims may also be intimated through concerned State Government Call Centres, until implementing Agency (i.e. insurance company) sets up its own call centre.

11.4 Loss assessment certification is required to be furnished by Coconut Development Board (CDB) / Horticulture Department **authorized by insurance company** for each district, justifying cause for loss of palm, within **15 days** from intimation of loss.

11.5 Insurance company, at its discretion may send its representative to assess loss jointly with agency designation to certify loss.

11.6 **Insurance company will release claim to insured farmer/grower within one month from date, all relevant certified details of claim are received in their office.**

11.7 Release of claim amount, however, is subject to receiving premium subsidy from both CDB and concerned State Government.

11.8 Insurance ceases to operate once a full claim is paid.

12. MONITORING MECHANISM

12.1 State level Monitoring Committee will be set-up consisting of representatives the CDB, insurance company and Horticulture Dept. to monitor progress of scheme. This Committee will meet at least once in quarter to review progress and make suggestions in popularizing the scheme.

12.2 Annual review of scheme will be undertaken by SLMC with participation of implementing Districts, Coconut Development Board and insurance company.

13. PUBLICITY

13.1 DDHs/ADHs of the concerned districts are requested to take necessary steps for publicizing this new insurance scheme for coconut crops.

CHIRANJIV CHOUDHARY,
EX-OFFICIO SECRETARY TO GOVERNMENT (H&S)